



# Defense Supply Center Philadelphia Directorate of Subsistence Domestic Sourcing Conference May 4, 2004





# Subsistence Mission:

**Manage  
the Supply  
Chain**

**Federal  
Provider  
of Choice**

***Provider of readiness and quality of life  
worldwide***



# Directorate of Subsistence

## Total Inventory

**FY91 \$471M**

**Sep 03 \$215M**

- 54 Prime Vendor contracts
- DeCA supplier of choice
- Prepositioned combat feeding
- Move to 1 retail food system

## The Big Picture

## Sales

**FY02  
\$1.8B**

**FY03 \$2.8B**

**FY04 (end of Feb 04)**

## Personnel

	<b>Military</b>	<b>Civilian</b>
<b>Phila</b>	<b>11</b>	<b>307</b>
<b>Field</b>	<b>3</b>	<b>120</b>
	<b>14</b>	<b>427</b>



# FY03 Subsistence Business

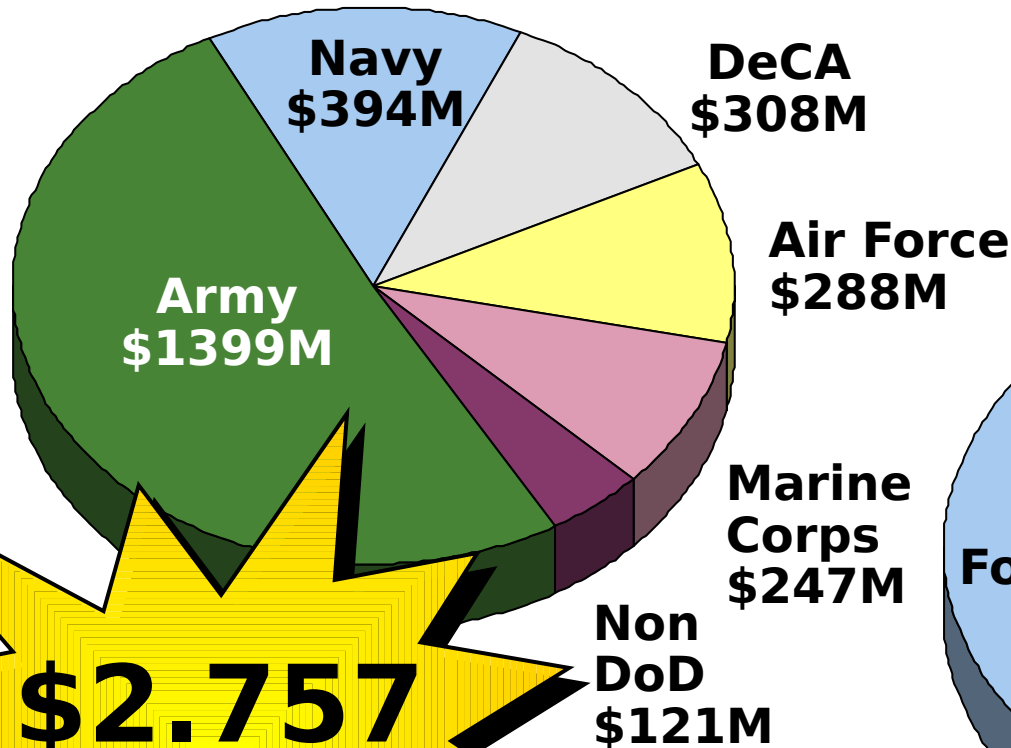
**Warfighter**  
**\$2.328B**

**Other**  
**\$429M**

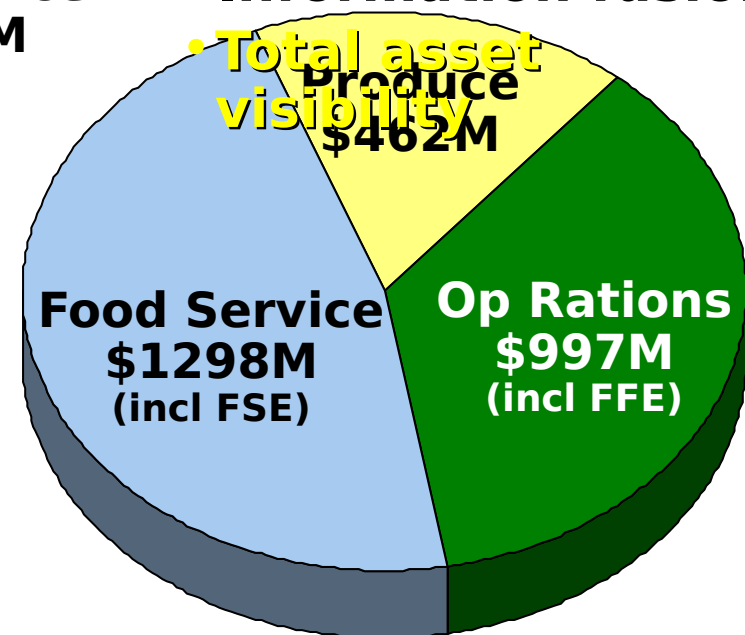
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## Readiness Dividends

- Forward presence
- Surge & sustainment
- Joint strategy
- Information fusion



**\$2.757**  
**Billion**



• Total asset  
visibility



# Expanding Market Share



**Increased revenue reduces cost burden to the war fighter!**





# Food Service Support





# How is Subsistence Prime Vendor Different?

## Traditional Support

- Multiple order lead times
- New items twice a year
- Basic staple items
- Limited items in system
- Manage inventories
- Stock in/stock out
- Paper system

## Prime Vendor Support

- 24 to 48 hour lead time
- New items weekly
- Tailored catalogs
- Unlimited no. of items
- Manage vendors
- Direct Vendor Delivery
- Electronic Commerce



# Subsistence Prime Vendor OCONUS Platforms







# **OCONUS Prime Vendor Generation II Contracts**

- Performance Based Distribution Fee
  - Performance goals based on historical accomplishments
  - Adjusted quarterly
  - Positive and negative adjustments
  - Currently applied in Pacific
- Deployment zone additions
  - Prime vendor required to support future areas



# National Allowance Pricing Agreement (NAPA)

- Agreements between DSCP and manufacturer... included in every prime vendor contract
- Allows DSCP customers to buy branded products at significant savings



**\$20M savings in FY03!**



# Food Service Equipment Prime Vendor

- Provides equipment plus full life cycle support
  - Design, installation, warranty service, training, long term maintenance, repairs, replacement
- Value added
  - Direct ordering with vendor
  - One-stop shopping... brand name choice
- Available items
  - Icemakers, griddles, refrigerators, ovens, dishwashers, coffee makers, repair/spare parts
  - Only Navy approved items for shipboard use
- Four regional prime vendor contracts



**\$56M**  
**FY03**



# Produce Support







# DSCP's Produce Network

**DSOs provide for readiness and special missions!**

**DSO Seattle**  
**DSO San Francisco**

## European Produce Offices

- Mainz Kastel GE
- Saarbrucken GE
- Nuernberg GE
- Italy & United Kingdom

**Direct market deliveries**

**DeCA**  
**\$22M**  
**Troop**  
**\$24M**

**DSO**  
**Midwater**  
**DSO Jacksonville**

## Pacific Offices

- Hawaii
- Japan
- Guam
- Okinawa
- Korea

**Purchase local produce to supplement US deliveries**

**DeCA**  
**\$20M**  
**Troop**  
**\$12M**

## CONUS Buying Offices

- |                   |                  |
|-------------------|------------------|
| • Boston MA       | • Kansas City MO |
| • Philadelphia PA | • Denver CO      |
| • Jessup MD       | • Ft Worth TX    |
| • Birmingham AL   | • San Diego CA   |
| • Nashville TN    | • Los Angeles CA |

**Commercial practices**

**DeCA**  
**\$265M**  
**Troop**  
**\$44M**  
**Other**  
**\$75M**



# Operational Rations





# Tailored Operational Rations

- Individual Field Feeding Program
  - Meal, Ready-to-Eat
  - Meal, Religious, Kosher/Halal
  - Meal, Cold Weather (MCW)
  - Food Packet, Long Range Patrol (LRP)
  - Tailored Operational Training Meal (TOTM)
  - Meal, Alternative Regionally Customized (MARC)
- Group Field Feeding Program
  - Unitized Group Ration (A and Heat & Serve options)
  - Unitized B Ration (USMC only)
- Survival Rations (Food Packet)
- Humanitarian Daily Ration (HDR)
- Health & Comfort Pack (HCP)
- Ultra High Temperature Milk (UHT Milk)



**New!**



# Meal, Ready-to-Eat, Individual

- Used by services to sustain individuals during military operations that preclude organized food service facilities
  - Primary individual soldier combat ration
- Characteristics
  - Flexible packaging
  - Shelf Life - 3 years at 80° Fahrenheit
  - Thermo processed entrees with crackers, a spread, dessert/snack, beverages, accessory packet, plastic spoon, and flameless ration heater (FRH)
  - Capable of being air dropped
  - Capable of withstanding 20° Fahrenheit
  - 24 menu varieties





# The Way Ahead



# Electronic Commerce Initiatives

- Electronic invoicing web site for produce vendors
  - Already 600 vendors
- Electronic invoicing web site for market ready vendors (dairy and bakery)
- Receipt reconciliation tool for vendors utilizing electronic invoices
  - Implemented Mar 2004



# What is STORES ?

## (Subsistence Total Order & Receipt Electronic System)

- Single approved DoD food ordering system
- Uses EDI and Internet to pass catalogs, orders and receipts among Services, vendors and DSCP
- Electronic catalogs for all food items
- Interfaces with all Service food management systems
- Used by over 600 customers worldwide
- Moving to replace STORES with STORES Web



# Common Food Management System (CFMS)

- Services agree to develop one common web-based system tied to STORES to replace existing Service systems
- DLA supports CFMS and has approved funding FY04 thru FY09
- Deployment scheduled FY05 thru FY08





# Class I Executive Agent Role

- Develop and implement plans and procedures for subsistence support
- Plan for, procure, manage and supply subsistence
- Deliver to locations mutually agreed upon
- Maintain and protect war reserve stocks
- Achieve greater supply integration by assuming mission transfers as directed

**Developed in coordination with  
Combatant  
Commanders, Services and Joint Staff**

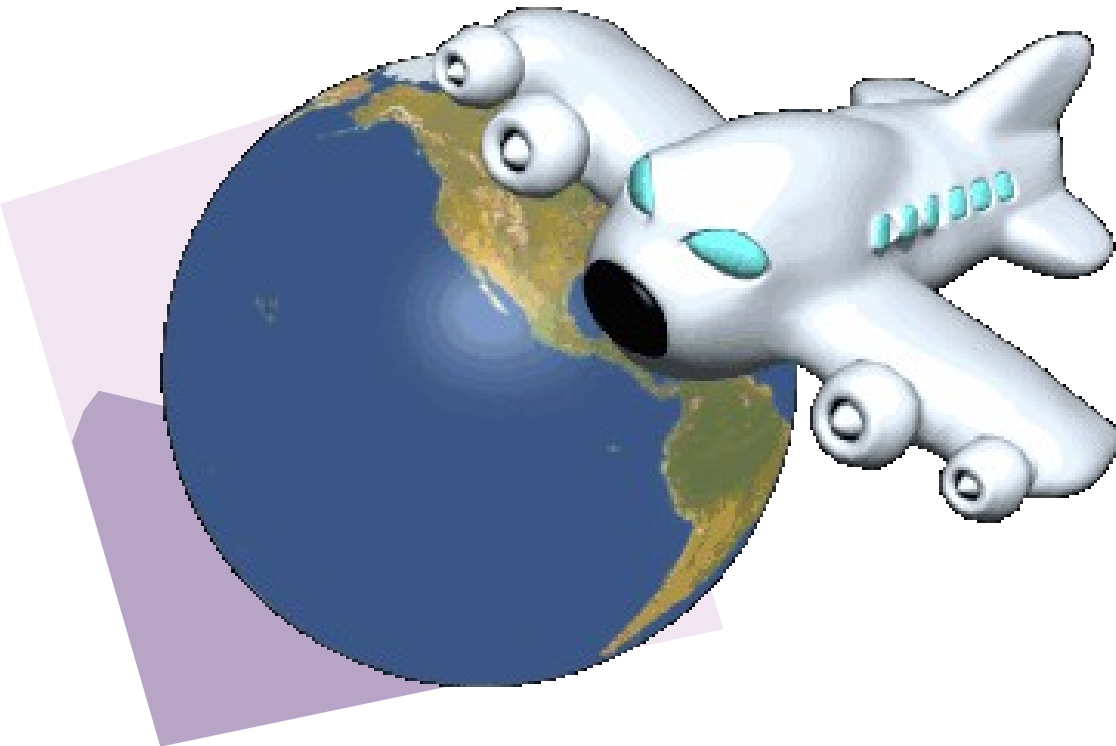


# Domestic Sourcing Challenges

- Seafood
  - If it swims, it is a challenge
  - USDC certificate at Origin
  - DSCP now has electronic visibility on sources used
- Other Food Products
  - Application of the Buy American Act using non-domestic raw materials
- Overseas Support to the Warfighter
  - Aging in the logistics pipeline
  - Aging inventory levels required for surge



# Subsistence Readiness...



**taking care  
of  
warfighters  
and their  
families**

**Ready, willing & able to meet  
warfighter needs around the globe**